

July 29

EXTENSION OF REMARKS

HON. MICHAEL A. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1959

Mr. FEIGHAN. Mr. Speaker, I introduced a resolution requesting the President to issue a proclamation designating the third week in July as Captive Nations Week. My resolution was identical with the resolution introduced in the Senate. The resolution was adopted by the Congress and the President issued his proclamation on July 17.

Under leave obtained, I insert in the RECORD an article by David Lawrence entitled "Captive Nations Year Needed."

CAPTIVE NATIONS YEAR NEEDED—FAINTHEARTED IN UNITED STATES AND SOVIET CRITICS ARE REMINDED OF AMERICA'S POLICY

(By David Lawrence)

Maybe there ought to be a "Captive Nations Year" instead of a "Captive Nations Week." Then the protest will be continuous instead of once a year.

Evidently those fainthearted in our midst who think it was a bad idea for the Congress of the United States to proclaim American ideals to the peoples of the world and utter words of sympathy to the oppressed don't know that similar protests have been perennial in American history. Or else they are so afraid of offending Khrushchev that they are willing to appease him still more by criticizing what Congress did.

A glance at the record will show that the Democratic and Republican Parties have for more than 70 years inserted from time to time planks in their national platforms expressing the sympathy of the American people for oppressed peoples abroad. It has become so natural for this to be done by both parties that the Congress earlier this month spent only a few minutes debating the joint resolution which subsequently aroused the ire of the Communist imperialists in Moscow.

In 1892, both the Republican and Democratic platforms condemned the Russian Government for the mistreatment of its people. The Democratic platform plank, entitled "Sympathy for the Oppressed," read as follows:

"This country has always been the refuge of the oppressed from every land—exiles for conscience sake—and, in the spirit of the founders of our Government, we condemn the oppression practiced by the Russian Government upon its Lutheran and Jewish subjects; and we call upon our National Government, in the interest of justice and humanity, by all just and proper means, to use its prompt and best efforts to bring about a cessation of these cruel persecutions in the dominions of the Czar, and to secure to the oppressed equal rights.

"We tender our profound and earnest sympathy to those lovers of freedom who are struggling for home rule and the great cause of local self-government in Ireland."

The Republican national platform in the same year, under the title "Championing the Oppressed," had this plank:

"The Republican Party has always been the champion of the oppressed, and recognizes the dignity of manhood, irrespective of faith, color, or nationality. It sympathizes with the cause of home rule in Ireland, and protests against the persecution of the Jews in Russia."

In 1896, the Republican platform had a plank saying: "The Armenian massacres

(by the Turks) have aroused the deep sympathy and just indignation of the American people, and we believe that the United States should exercise all the influence it can properly exert to bring these atrocities to an end."

Then, in 1900, the Democratic platform had a plank expressing sympathy with the efforts of the Boers of South Africa to gain "liberty and independence" from British rule.

In 1920, the Democratic national platform contained a plank "expressing its active sympathy with the people of China, Czechoslovakia, Finland, Yugoslavia, Poland, Persia, and others who have recently established representative government." Another plank expressed sympathy with the efforts of the Irish people to get their freedom, and still another plank called on the American Government to "render every possible and proper aid to the unfortunate people of Armenia."

The year 1944 saw the first plank from the Republicans calling for a free democratic commonwealth in Palestine. Then, in 1948, the Democrats had a plank, too, looking forward to the admission of the State of Israel to the United Nations. The Republicans in their platform that year also had a plank proclaiming friendship with the people of Palestine.

The 1956 Republican platform said:

"We shall continue to seek the reunification of Germany in freedom, and the liberation of the satellite states—Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Latvia, Lithuania, Estonia, and other once-free countries now behind the Iron Curtain. The Republican Party stands firmly with the peoples of these countries in their quest for freedom. We are confident that our peaceful policies, resolutely pursued, will finally restore freedom and national independence to oppressed peoples and nations."

The 1956 Democratic plank said in part: "We declare our deepest concern for the plight of the freedom-loving peoples of Central and Eastern Europe and of Asia, now under the yoke of Soviet dictatorship. The United States, under Democratic leaders, has never recognized the forcible annexation of Lithuania, Latvia, and Estonia, or condoned the extension of the Kremlin's tyranny over Poland, Bulgaria, Rumania, Czechoslovakia, Hungary, Albania, and other countries. We look forward to the day when the liberties of all captive nations will be restored to them and they can again take their rightful place in the community of free nations."

It's an old story with America, but somehow Nikita Khrushchev hasn't heard of it.

U.S. Route 51 Should Be Included in the National System of Interstate and Defense Highways

EXTENSION OF REMARKS

OF

HON. PETER F. MACK, JR.

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1959

Mr. MACK. Mr. Speaker, under leave to extend my remarks, I wish to include the following resolution adopted by the House of Representatives of the State of Illinois:

HOUSE JOINT RESOLUTION 15

Whereas the existing public highway route marked as U.S. 51, commencing near

the important shipping port of Duluth on the shore of Lake Superior and extending in an approximately straight line to the great shipping port of New Orleans, transverse the heart of the industrial, agricultural and mining areas of the State of Illinois and is hereby one of the most important avenues of this Nation in the transport of personnel, goods, wares, merchandise and foodstuffs essential to the health, welfare and defense of this Nation; and

Whereas it is the sense of the General Assembly of the State of Illinois that such highway route in this State is a more heavily traveled and a more important pathway of communication than some of the routes that have been designated as part of the National System of Interstate and Defense Highways and should therefore be included as part of such National System of Interstate and Defense Highways provided for by the Congress: Therefore be it

Resolved, by the House of Representatives of the 71st General Assembly of the State of Illinois, (the Senate concurring herein), That the Congress of the United States is urged to take appropriate action to provide for the inclusion of the route of the existing public highway marked as U.S. 51 in the State of Illinois in the system of highways now provided for by Federal law and known as the National System of Interstate and Defense Highways; and that an appropriate copy of this resolution and its preamble be forwarded by the Secretary of State to each Member of Congress from this State.

Adopted by the house, February 16, 1959.

PAUL POWELL,

Speaker, House of Representatives.

CLARENCE BOYLE,

Clerk, House of Representatives.

Concurred in by the senate, June 8, 1959.

JOHN WM. CHAPMAN,

President of the Senate.

EDWARD E. FERNANDES,

Secretary of the Senate.

Gold Supplies

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 29, 1959

Mr. PHILBIN. Mr. Speaker, in view of the heavy drafts upon the gold supply of the United States as the result of adverse foreign trade balances, monetary and currency readjustments and the like, it is interesting to note the mounting pile of gold bricks in the vaults of Moscow's Gosbank, the state bank of the Soviet Government as reported in a recent news article from London by writer, Mr. Peter Grose. In this dispatch the view was expressed that some British financiers suggest that this increasing Russian gold supply may be a new weapon in Soviet economic warfare which could be unleashed against the capitalist countries at any time and disrupt their economies.

These experts, the article continues, can see no other plausible explanation for the quiet but steady Soviet accumulation of gold reserves at great cost to the Soviet economy. A leading British authority on international commerce, Mr. Paul Einzig, believes that the Soviet Government is determined to hoard a

1959

Without question they deserve our highest respect and our best efforts to prevent the defamation of their good name.

# Restoration of Central Credit Union Authority

## EXTENSION OF REMARKS

OF

HON. BYRON L. JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1959

Mr. JOHNSON of Colorado. Mr. Speaker, the Rules Committee on July 29 granted a rule on H.R. 8305, and this rule will probably come to the floor on Thursday, July 30.

In the interest of informing Members, and speaking for the Banking and Currency Committee members who signed the supplemental views on the Federal Credit Union Act in House Report 696, I wish to here insert the amendments that will be offered tomorrow to restore Federal central credit union authority. These amendments simply restore to H.R. 8305 the language which was in the bill as it left Subcommittee No. 3 on its way to the Banking and Currency Committee, except for one clarifying technical amendment. These amendments are as follows:

### AMENDMENTS TO RESTORE CENTRAL CREDIT UNION AUTHORITY

Page 2, line 3, strike out the semicolon and insert a comma and the following: "and includes a cooperative association (hereinafter called a 'Federal central credit union') whose members are Federal credit unions and credit unions organized in accordance with the provisions of law of any State, the District of Columbia, the several Territories and possessions of the United States, the Panama Canal Zone, or the Commonwealth of Puerto Rico, and located within a well-defined geographical area, and whose members may also be directors and members of the supervisory and credit committees of such credit unions;"

Page 2, line 16, strike "natural".

Page 8, line 13, after the word "surplus" insert the following: ", but this limitation shall not apply to loans by Federal central credit unions".

Page 8, line 13, strike out "or"; and in line 15, after the semicolon insert the following: "or (E) in shares of Federal central credit unions, in a total amount not exceeding 25 per centum of its paid-in and unimpaired capital and surplus. Payments to, and withdrawals from, such central credit unions by a Federal credit union must be specifically authorized by the board of directors of such Federal credit union:"

Page 10, line 10, after the word "that" insert the following: ", other than as provided in section 2(1) with respect to Federal central credit unions,"

Page 10, line 14, after the period insert the following: "A Federal credit union may, by authorization of its board of directors, become a subscriber to, or organizer or member of, a Federal central credit union or other central credit union."

Page 11, line 4, after the period insert the following: "Federal credit unions having membership in a central credit union may be represented at annual or special meetings

of the central credit union by one member duly authorized by the board of directors of the member Federal credit union. To the extent permitted by the articles or certificate of incorporation or bylaws of the central credit union, such representative shall have one vote and shall be eligible for office in the central credit union the same as though he were a member as an individual of such credit union."

Page 11, line 10, after the word "members" insert the following: "(which, in the case of Federal central credit unions, shall be deemed to include the duly authorized representatives of the member credit unions)".

Page 15, line 8, after the word "or" add the following: ", except in the case of a loan by a Federal central credit union to a member credit union,"

Mr. Speaker, the views of the members of the full committee who support Federal Central Credit Unions are set forth on pages 8 through 14 of the Report. The heart of the agreement is found on the last two pages thereof, and is as follows:

The proposed Federal central credit union was designed to fulfil two significant functions:

(1) Federal central credit unions would act as a clearinghouse for surplus credit-union funds, receiving funds from credit unions with a temporary surplus and lending these funds to other credit unions experiencing heavy loan demands. The smaller credit unions with fewer sources of credit tend to experience greater problems when attempting to borrow funds than do the larger credit unions. Although the larger credit unions may have excellent financial relationships with commercial banks or other financial institutions, many smaller or medium size credit unions experience undue delay, excessive cost, or, in many cases, face outright refusal in having their borrowing requests fulfilled by existing financial institutions.

Federal credit unions may now borrow from others only by a lengthy, time-consuming, and difficult process. These provisions will relieve officers of this groundless and burdensome work.

There are a number of specific reasons why Federal credit unions need to have this additional source from which they can borrow funds.

(a) Most Federal credit unions experience seasonal and cyclical needs for additional funds, even with a membership composed of individuals who enjoy regular incomes. For instance, credit unions organized in industrial plants where employment is regular and where the membership receive their incomes regularly, still face seasonal demands for loans (at Christmas, Easter, etc.). These credit unions need to be able to borrow additional funds to meet these legitimate loan demands.

(b) Many Federal credit unions are organized among groups which receive irregular incomes such as those serving farmers or teachers. In addition to the normal seasonal needs for extra funds, these credit unions, to function effectively, need additional sources of funds to cope with the problems of large swings in their total share accounts and loan demands.

(c) Other reasons are: an industrial plant within which a credit union is organized is temporarily shut down, or there are layoffs of a substantial number of employees, or there may be some sort of disaster such as a flood or fire in the local community. In these cases members will be withdrawing shares from the credit union, while at the same time, the credit union is experiencing increased loan demands because of the financial difficulties of its members. In these

types of cases it is often very difficult for these credit unions to be able to borrow the funds they need to serve their members effectively.

On the other hand many credit unions have chronic surpluses of funds. Many such credit unions operating under State charter are presently investing some part of these surplus funds in State chartered central credit unions and providing the capital for the effective operation of these central credit unions.

(2) Federal credit unions would provide mechanism for meeting the borrowing needs of credit union officers whose indebtedness to their credit unions is presently limited to the amount of their share accounts. The bill ordered reported by the Banking and Currency Committee would permit credit union officers to borrow from their credit unions up to the amount of their shareholdings, plus the total unencumbered and unpledged shareholdings in the credit union of any member pledged as security for the obligation of such directors or committee members. This seems to be a reasonable restriction upon the directors and committee members of a credit union. However, by accepting a position as an officer in a credit union, the member in effect gives up some of the privileges of membership in that credit union. With Federal credit unions having a rather extensive officer turnover the limitation on officers borrowing deters many members from accepting the responsibility of being a credit union officer. Thus, it is obvious that there is need for some type of credit union which can serve the credit needs of credit union officers. While Federal credit unions to serve officers have been chartered ("officer credit unions"), they have frequently been unable to attract adequate funds to serve their officer members' credit needs because of the restrictions against Federal credit unions investing shares in the central credit unions.

The testimony before the subcommittee was overwhelmingly on one side of this issue. The experience of the States which have central credit unions is overwhelmingly favorable. The same safeguards which apply to the operations of local credit unions would also apply to central credit unions. There is no reason for the Federal law to fail to include permissive provision for such central credit unions. These central credit unions are serving useful purposes in those States where they are now in operation; they would serve similar useful purposes for Federal credit unions, their members, and their officers.

We see no reason to delay consideration of this amendment. In the first place, it has already been thoroughly considered by the subcommittee. In the second place, this entire bill has been viewed as a recodification of the Federal Credit Union Act. If these provisions are considered later in a separate bill, it will take amendments at eight separate places in the recodification to replace what was deleted by a close vote in the committee.

The delays and difficulties in the path of considering this matter in separate legislation are too well known to need amplification here. The time to wrap up a complete Federal credit union code is now, at the time of recodification.

We believe that the measure should be amended to reinstate provisions for the chartering and operation of Federal central credit unions.

WRIGHT PATMAN.  
HENRY S. REUSS.  
JOSEPH W. BARR.  
CLEM MILLER.  
BYRON L. JOHNSON.